

**Search of residential premises, houses: Senate body opposes proposal to empower IR chief**

The Senate Standing Committee on Finance has opposed the proposed powers to Federal Board of Revenue (FBR) Commissioner Inland Revenue to enter and search residential premises and houses on the basis of information of undeclared gold, bearer security or foreign currency, saying this is against the Article 14 of the Constitution.

"You don't understand the political ramification of this provision," said the Chairman of the committee Farooq H Naek to Chairman Federal Board of Revenue (FBR) Shabbar Zaidi.

The committee members opposed the proposed powers to the Commissioner in the Finance Bill 2019 with regard to entering and searching premises and subsequently chairman FBR agreed to withdraw the insertion of the sub-section. The insertion of new sub-section 6-A read that "the Commissioner shall, subject to the condition as may be prescribed, raid any premises where there is reliable information of undeclared gold, bearer security or foreign currency and confiscate the same in order to enforce any provision of this Ordinance."

The committee members rejected the proposal and stated that this is against the dignity granted to an individual in the Constitution. The chairman of the committee stated that proposed provision is against the Article 14 of the Constitution. While other members stated that there should not be blanket permission to the Commissioner and a procedure must be involved in this regard.

The FBR chairman stated that an exclusive section has been included in the Finance Bill to bring the services sectors into the tax net and the federal government may prescribe procedure in this regard.

Speaking at the Senate Standing Committee on Finance during discussion on the Finance Bill 2019, he stated a new section 99C has been included for the services sectors.

The federal government may prescribe procedure for scope and payment of tax, record keeping, filing of return and assessment in respect of such small businesses, medical practitioners, hospitals, educational institutes and any other sector. He said that \$40 billion money laundering was taken place during the country and properties were purchased in the UAE.

**RECORDER REPORT**